

## EN — LARRY ROMANOFF — Apple's Rotten Core

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By Larry Romanoff, November 26, 2022

### Introduction

A few years ago, China's CCTV aired its annual Consumer Reports program in which one of the topics was the products of Apple, Inc. Naturally, the Western media trashed CCTV for having the gall to challenge anything American, accusing the TV station of being "a government mouthpiece" wanting to destroy a foreign brand to help the locals, or to "send a message" to the White House, or to retaliate for poor treatment of Chinese firms in the US, or ... But in the end, CCTV just runs a consumer affairs program to enlighten consumers about dishonest or unfair practices, poor quality products and similar issues, not different in scope or style from many such programs in the US and elsewhere. CCTV does a commendable job with this program, highlighting both domestic and foreign firms according to the scope of the problems, and often identifying serious commercial frauds or scandals. From this, the program earned an excellent reputation and became quite influential among Chinese viewers. And, in one typical program on World Consumer Rights Day, Apple found itself in CCTV's sights, a litany of consumer abuses being identified. Let's begin with the issues CCTV identified. You can read the details and draw your own conclusions.

### Warranty Repairs

One key issue was that in any Western country, if I am dissatisfied with my purchase of almost any consumer product, I can return it to the shop for a full refund, and with no questions asked. If the item is defective, I can obtain a new replacement, again with no questions asked. In China, Apple would replace the innards of the device but use the old casing, thereby categorising the device as the old original with perhaps little or no warranty time left, whereas if the entire device were replaced – as it should be – the device would be new and the warranty period would begin again. CCTV quoted an Apple employee as saying, "We are told not to replace the back. If you want to get a new one, please pay 580 yuan (US\$92)." In any Western country this would be considered a cheap and low-class trick that any intelligent person would be ashamed to use, but also the practice is illegal in China; under Chinese law, a replacement must be a new device covered by a full warranty period. Apple had knowingly flouted Chinese law for years, both Apple and the Western media refusing to address the point. Another law that Apple openly violated was that tablet computers like ipads were classified as computers in China, necessitating a two-year warranty, but Apple, making up its own laws, claimed its

ipads were really phones, and so ignored the laws, repeatedly avoiding fines by claiming the regulations were “unclear”.

Moreover, the fundamental purpose of a product warranty is to ensure that defects are repaired free of charge to the consumer, but Apple charged Chinese customers between 2,000 and 3,000 yuan for a warranty repair – often about 50% of the original purchase price – another practice that was illegal under Chinese law. Moreover, Apple’s repairs were not only expensive, but the entire repair process was complicated and hugely inconvenient by design. Customers with warranty problems were required to first make an appointment for a time slot and a reservation simply to bring in a defective product for repair. In alternative cases, customers were often forced to stand in line for many hours waiting for a single clerk to deal with complaints or defects, then in most cases waiting weeks for the return of their (sometimes) repaired device. This was so true that many customers, perhaps the majority, abandoned the Apple process altogether, taking their defective product to a small local shop where they could receive immediate service at a much lower cost. An overall examination of this landscape leads one to the inescapable conclusion that Apple’s entire after-sales service program in China was carefully designed to obtain precisely the result of avoiding virtually all costs of warranty repairs, a program clearly fraudulent and criminal in any Western country, as well as contemptibly unethical, to say nothing of being illegal in China.

Apple products in China certainly had their share of factory defects, with items like screen damage, dead keys, and battery charger failures. With iphones, the most common complaint was of total system failures, along with blank screens, graphics chips with brain damage, frequent software malfunctions, cameras that either didn’t work or produced very poor picture quality, and the famous short standby time. I would add a suspicion here that I have not yet investigated sufficiently to obtain proof, but one that has been verified against other American (and a few Japanese) companies in China in other industries, and this has to do with quality control. In several consumer products categories in China, one being a well-known American brand of blue jeans, the factory has excellent quality-control procedures in place, where even the smallest flaw results in a garment being rejected and only the perfect items passed. These perfect items are then packaged and shipped to the US, Canada and Europe, the quality rejects reserved for sale in the China market at four or five times the Western price. I have documented this practice on more than one occasion, and I have a strong suspicion the same occurs with Apple products in China, which may be one reason Chinese customers prefer to purchase their Apple products in Hong Kong or the West.

Another issue is that to my best knowledge, Apple is the only company that forces customers to agree warranty repairs will be made with used or reconditioned parts, and to further agree that the parts will then be retained by Apple to install in warranty repairs on other phones. This is really a disgusting contract provision, which Apple would never dare

use in any Western country. It is also a violation of China's consumer laws, but once again Apple simply ignored domestic law. The company was instructed on several occasions to modify its refund and repair policies to conform to Chinese laws, but apparently ignored those orders. Also, Chinese law states clearly that repair operators are "liable for maintaining the confidentiality of data and the privacy of business or personal information", but Apple violated this law as well, one of the company's repair clauses stating that users must copy their data and remove anything confidential or exclusive before sending Apple's products for repair, something many customers cannot do. "Apple specifically does not warrant that it will be able to repair or replace your product without risk to or loss of programs or data and maintain the confidentiality of data." And that's just rubbish, Apple using this clause as a cheap excuse to cover its potential incompetence. In any case, data transfer is primitive technology; any competent person can download data from a device, then store and reload to that same device. But the point is that Apple's repair clauses on personal data protection and compensation did not in any way conform with local laws. Yet another complaint about unfair treatment was that in preparation for the launch of its new iPhone 5, Apple had offered to re-purchase all the used iPhone 4 and 4S models in its home market, paying about 50% of the original purchase price. But in China, Apple graciously offered to take delivery of all iPhone 4 and 4S models (without compensation) to "recycle them free of charge". Who in their right mind would agree to such an insultingly stupid proposition? With China providing almost half of Apple's total profit at the time, why the double standard?

One widespread complaint was that Apple deliberately shortchanged customers on memory and battery capacity, with an almost universal conclusion that Apple executives deliberately manufactured iPhones with memory barely sufficient to contain the operating system, giving a customer an essentially useless phone and forcing an upgrade to a more expensive model with more memory. The prevailing view was that Apple effectively designed the iPhone to self-destruct within about one year, almost forcing customers to purchase a newer model. Every Apple iPhone user tells the same story of their phone becoming increasingly slower over time, to the point where the device becomes almost unusable, and where even deletion of all data and reinstallation of the O/S make no appreciable difference except further ensuring the frustration of all users. As well, after perhaps one year an iPhone must be fully recharged at least once per day, often twice, with even standby time becoming worryingly short. It is not for nothing that Apple's phones have been described even in the US media as "handicapped" and "terrible." But as others have noted, Apple charges \$100 for a memory upgrade that costs less than \$15, adding billions to its profits by what could be easily categorised as a planned process to defraud consumers. By contrast, my own Xiaomi 3, which is now going on three years old, is about as fast today as when I purchased it, still able to scroll through a thousand photos as quickly as I can move my fingers, and battery capacity has not significantly degraded.

In 2012, a lawsuit was filed in Beijing court on behalf of customers who bought “new” iPhones for RMB 5,000 (\$780) each at the Apple retail store in Beijing’s Xidan Street. On examination, the iPhones proved to have been refurbished used items. This is a complaint I have heard repeatedly from all across China. Yet another, and much more serious charge, is that Apple dealers will purchase iPhones that have been stolen, refurbish them, then offer them for resale as new. There have been many reports of customers finding their old iPhone in an Apple shop, and providing definitive proof of ownership, but being unable to obtain their return with the Apple stores flatly refusing to return what were clearly stolen goods. This has been a large enough issue that it could not possibly have escaped the attention of Apple’s headquarters, but Apple executives chose to remain totally silent on this matter. Apple had repeatedly been asked to lock stolen phones in China, a simple process, but the media offered evidence that the Apple stores refused to do so without a police order. One of the reasons iPhones are thieves’ favorite target, at least in Shanghai, but I believe in many cities, is because Apple dealers are eager to purchase them cheaply for resale as new. One local newspaper quoted an unidentified salesperson as saying this so-called “whitewashing” of stolen smartphones was a common practice, and that during reconditioning, parts of the iPhones usually were changed, to make them look like new to unsuspecting customers. One Western columnist suggested this problem occurred only in China, but that’s untrue. Go to eBay, and identify all the iPhone sellers who are actually Apple stores or authorised shops.

Another issue was Apple’s deplorable labor practices. Even in an internal company report, Apple admitted the “sweatshop” conditions inside the factories that make and assemble its products, admitting that at least 55 of its 102 factories were making staff work more than 60 hours per week, that only 65% were paying legal minimum wages or statutory benefits and that 24 factories paid nothing near China’s minimum wage. The pressure placed on these young people is truly unconscionable, a fact which has not at all escaped Tim Cook and Apple’s executives. One young university graduate working in the logistics department when an iPhone prototype went missing, was treated so badly for an event that wasn’t his fault that he jumped to his death from the 12th floor of his apartment building. Neither Apple nor Foxconn had any noticeable sympathy. A human rights organisation accused Foxconn of having an “inhumane and militant” management, the executives of neither Foxconn nor Apple being available for comment.

## Other Issues

Another damning complaint was that Apple had knowingly violated the copyrights of famous Chinese writers and publishing houses, by selling unauthorised copies of Chinese works on Apple’s App Store. Apple’s CEO Tim Cook adopted what some called an “ostrich policy”, sticking his head in the sand and pretending he didn’t know, in spite of the increasing flood of complaints and multiple requests for removal. This would appear to be Cook’s standard practice of lying low and hoping the storm blows itself out. But this

time it didn't. As Xinhua news reported, "A group of Chinese writers have filed a claim against Apple, alleging that the company's App Store sells unlicensed copies of their books and seeking Rmb50m (\$8 million) in compensation. The claim, filed on behalf of 22 famous writers, involves 95 [different] books that have been sold as pirated copies on Apple's App Store." Apple executives had to have participated in what was clearly a deliberate practice and surely would never have attempted such an obvious violation against American authors. The American public are of course never informed by their media of such sins by American firms, knowing only of alleged pirated sales on Taobao in China.

Apple is also in trouble in several countries, most especially the US and Europe, for what may prove to be a vast and illegal tax-avoidance scheme. The company has cleverly arranged its affairs, moving its headquarters to Ireland where it pays virtually no tax, and further creating a web of shell companies that are apparently resident in no country anywhere, through which it funnels much of its revenue and pays no tax of any kind. Apple apparently paid only about \$10 million in taxes, if I recall correctly, on income in the tens of billions. In Europe, the European Commission ordered Ireland to levy nearly \$15 billion in taxes that were avoided by the clever tactics of Apple's executives, the European Commission reporting that in 2014 Apple illegally paid tax on its profits of only 0.005%. The European Commission said Apple was also accused of fraudulently repatriating its foreign profits to the US by having its Irish subsidiary pay large amounts of money to the US parent for R&D.

Yet another problem was Apple's trademark row with Shenzhen Proview Technology for the name "iPad", which Proview had registered some ten years before Apple developed their iPad. The name clearly did not belong to Apple, who eventually purchased the name from Proview – for use in Europe, but then proceeded to use it in other countries where it did not own the trademark. Naturally, the Western media accused Proview of 'cybersquatting', but that was never true; Proview owned a name that Apple wanted and simply appropriated without legal entitlement, yet another example of Americans respecting IP – so long as it's their own. When Apple began using the name in China, Proview sued Apple for trademark infringement, to the great chagrin of Americans everywhere, but the courts upheld Proview's claim and Apple was forced to pay another \$60 million for the China rights to the name. Apple of course applied for injunctions, and made a lot of media noise in attempts to blacken China's name internationally, but to no avail.

Apple's final claim was that when they had purchased the trademark for Europe, they "understood" it also applied to China. Once again, a lie that should be punished by public flogging, since there is no lawyer anywhere in the world who is so dense or incompetent as to misread a contract and not understand such limitations. The evidence is Apple executives assumed that, being Americans, they could simply confiscate and use

Proview's trademark and bully the company into submission. It didn't work, and Apple got a taste of its own medicine. And in fact, Apple may end up losing its own name, since the word 'Apple' is by nature descriptive, and cannot reasonably be copyrighted or trademarked. It is likely only a lack of serious court challenges that has protected Apple so far. In the event, Apple was forced to take its ipads off the Chinese market until it settled and paid the dispute. There have been many such issues with Apple, using expensive lawyers and the US' aggressive IP legislation to bully competitors and waste everyone's money. One recent example was Apple obtaining a US patent on "a rectangle with rounded corners", then suing Samsung for having such a product.

### Apple's Rotten Core

On December 7, 2012, a 44-year-old Chinese woman named Li Xiaojie went to an Apple store in a New Hampshire mall in Massachusetts to buy three iphones as Christmas gifts for her friends in the US. The store staff informed her that two phones was the limit, but when she pointed to other customers who were purchasing three and four, the staff told her she had "bought the limit", then called the manager who asked her to leave the store, and apparently issued a "stay-away" order for her. In other words, don't return again to any Apple store in the US. The woman returned home, ordered two Apple phones online and went to another store to pick them up. The store manager called the police and asked them to remove Ms. Li. The police assaulted her, knocked her to the floor and tasered her, leaving her daughter to call for an ambulance, and have her mother admitted to a hospital with more than minor injuries. Police later claimed the woman was violent and resisted arrest, failing to specify the grounds they might have had for arresting a customer. One person in the store had the presence of mind to take video and post it on YouTube, the video clearly showing an innocent customer being assaulted and that both Apple officials and the police lied about the incident. When interviewed, the manager of the Apple store claimed Apple enforces purchase limits to deter customers who buy iphones and ipads to sell at a profit overseas, having no explanation for other (white) customers who were clearly, within sight of the interview, purchasing many more than two phones.

Many people had this experience in US cities during that period, and the practice continues to this day. Apple identifies Chinese customers and treats them differently from all other people. Any Apple store will sell any number of iphones to people other than Chinese, but the company claims Chinese customers want to send extra phones to China's black market. Let's deal with this. First of all, the claim is almost certainly untrue. I have on many occasions brought an item back from a foreign country for a friend, where that item was very expensive or difficult to find locally. Those were one-off favors, and often given as gifts rather than for profit. No Chinese tourists to the US would be interested in purchasing huge numbers of iphones to sell at a profit in China. The very concept is ludicrous, since Apple carried the same price differential between Hong Kong and Mainland China as between the US and the Mainland, in other words, the retail price in

China being about twice that of other locations. The point is that anybody wanting to profit from reselling phones would go to Hong Kong, not New York City.

But why shouldn't customers do that if they want? There was no justification for the higher price in China, and besides, that's called 'free enterprise', 'free trade', and 'letting the market decide'. And in any case, in that period, Apple sold almost 48 million iPhones. What possible difference could it make to the company if a few hundred or thousand customers did indeed take a few phones from a low-price location to another? The same sometimes occurs in reverse: the Disney release of the DVD movie "Narnia" was priced at \$42 in Canada. The same DVD was available in Hong Kong and Shanghai for 30 yuan, about \$5.00. Entrepreneurs will naturally buy hundreds or thousands of the DVDs and ship them to Canada to sell at \$20. And why not? Apple and Disney cleverly couch these transactions in moral terms, claiming anyone wanting to buy their product at the lower price is committing a despicable felony and should be in prison, and often try to have the local police enforce their greed by accusing customers of breaking laws that in fact do not exist. It is the accusation that is the felony, not the purchase.

But let's not lose the main point, which is an appalling combination of greed and racism on the part of Apple's senior executives. One friend sent me the following:

"Two Chinese friends of mine in the US, one in San Francisco and one in NYC, ordered several iPhones online with no problem, but on appearing at the Apple stores to pick up the phones and the clerks saw they were Chinese, their orders were cancelled and they weren't permitted to buy anything. Another Chinese friend sent me this message: "I just called the store in NH and politely asked if I can buy 3 phones for my 3 daughters for Christmas, and they said yes. But when I expressed my concern about the woman being tasered, and told them I'm Chinese, they told me the phones were sold out and hung up the phone on me." Another Chinese friend wrote the following: "I called the manager of the Apple Store, and he called me back and told me there's no purchase limit on iPhones. Then he told me that what happened to Ms. Li was none of my business, and he hung up the phone on me."

Just so it doesn't go unsaid, these anti-Chinese policies could not possibly have been implemented nationwide in the United States without the express approval of Tim Cook. There is a learning curve here, one that has been much steeper in China than in many other nations passing through the development process. With LV as an example, the Chinese quickly discovered prices in China were twice those in Europe so they quit buying in China, reserving their purchases for European trips, and very often preferring other brands to LV. It is worthy of note that the Europeans in Europe were not so stupid and racist as Tim Cook at Apple in the US, and welcomed their Chinese customers instead of calling the police to taser and arrest them for purchasing where the prices were lower.

Apple's Response to the Storm

In fact, Apple's staff and executives were totally unmoved by their customer complaints, which is not a surprise since it would be a foregone conclusion the company's policies would produce precisely such consumer reactions. Apple's executives planned the policies to maximise the company's profits by squeezing customers until they bled, and by violating a dozen Chinese laws in doing so. Just a simple combination of greed and arrogance, highlighted with a strong blush of racism. It was all done in the dark, company executives confident they could handle Chinese lawmakers and regulators behind the scenes in silence. The crisis arose only because CCTV brought the details out into the light where Apple could not hide, but even then CEO Tim Cook chose to lie low in the hope the storm would blow itself out with no action being necessary. It didn't, and Cook found himself on a plane to China where he was then forced to deliver his apology – clearly insincere, but perhaps better than nothing.

In Shanghai, the government's Quality and Technical Supervision Bureau held a meeting and press conference with all phone manufacturers to clarify publicly and in the media the laws relating to after-sales service and warranty repairs for such devices. All companies were notified – twice – in writing of the necessity to attend, but Apple returned both of the letters, apparently refusing to even open them. The bureau then faxed the documents, but Apple ignored them as well. No Apple staff appeared at the meeting and conference. Apple did finally offer to improve its after-sales service, including warranty repairs, but only for its new iPhone 5 which was then hitting the market, refusing to amend its practices for the previous iPhone 4 and 4s models, leading critics to accuse the company of twisting warranty repair into yet another cheap marketing gimmick. Moreover, Apple's repair statement mentioned only the iPhones but ignored the legal violations in its warranty practices for the iPads.

But Apple didn't just ignore the government and then sit back and do nothing about the bad publicity. Apple did indeed take action – against its own customers, by immediately cancelling its online repair reservations system, thereby making customers come to an Apple store, and stand in line for hours, to either have their iPhone or iPad repaired – or – to make an appointment to return another time to deliver their Apple product for repair. So, Apple will teach the government of China a lesson for daring to challenge Apple's flouting of Chinese law, by punishing the company's own customers with hours of needless inconvenience. At many shops, there were 30 and 40 people waiting in line for hours to deliver their iPhone for repair. The Shanghai Evening Post reported more than 100 people in some lines, who had each waited more than three hours. Apple's lame excuse was that it cancelled the repair reservation system “to deter scalpers” who would obtain multiple repair slots and bring items needing repair from other nearby cities and towns where the company had no repair facilities. It was a lie, of course, that these people were scalpers, but let's look at it. In China, the company's second-largest market, Apple has a repair shop in Shanghai but in no other location for 1,000 or more Kms, requiring

customers to either ship their Apple product to Shanghai or have someone bring it to the city for repair. Given the volume of Apple products requiring repair, mobile phone shops in many smaller centers filled the need by collecting defective local Apple products and taking them to the city in one lot. They charge each customer a small fee for the service, and incur a great inconvenience themselves since Apple insists that an online “reservation” be made for each individual product, requiring these delivery personnel to make dozens or even hundreds of separate appointments. It was this reservation service that Apple killed, creating much inconvenience for local residents and placing a much greater burden on customers not living in the city, leaving them no choice but to ship their Apple product to Shanghai for repair. I know of no other country in the world where it is necessary to make an appointment or a reservation to either return a defective consumer product or bring it in for repair. As I mentioned earlier, the conclusion is inescapable that Apple’s entire after-sales service and warranty programs were deliberately designed to be so inconvenient, troublesome and expensive as to deter all but the most determined customers from demanding warranty repairs, and to free the company of hundreds of millions of dollars of liability.

Shipping Apple products to a company repair shop also revealed planned problems on many levels. Online shopping in China is an immense industry, so successful in part due to the plethora of couriers and small shipping companies who deliver anything, anywhere, for a small fee. And safe delivery too. I have purchased countless dozens of items online over the years, with not a single problem of damage. I suppose some packages must be damaged in shipment somewhere, but neither I nor anyone I know has ever had the experience. Except with Apple. There is not exactly a shortage of complaints about an Apple product being sent in for repairs and being returned in damaged condition, in which case Apple inevitably blames the damage on the delivery company and refuses to compensate the customer. In at least some of those cases I have investigated, damage in transit would have been impossible, like a broken screen on a laptop that is shipped closed and with the exterior in flawless condition, or an O/S chip with brain damage, or all the user data deleted from an iPhone or iPad. You can draw your own conclusions.

In response to this infamy crisis, Apple CEO Tim Cook did more than nothing. First, he released a brief statement containing the usual arrogant (and irrelevant) nonsense that emanates from every American MNC finding itself in trouble with the law or facing a consumer revolt. Statements about ‘commitment’ and ‘values’, about being “dedicated to making first-class products”, and attaching “high importance to every consumer’s ideas”. Apple China executives were quoted as saying, “We pay attention to the feedback from every consumer and try to provide services beyond consumer expectation.” Cook said further that he “deeply reflected” on the “feedback” received on warranty policies he had established for China. But that wasn’t actually ‘feedback’ he received. It was a legal demand from the government of a sovereign state that he obey the laws as constituted. In

such a case, ‘reflection’, deep or otherwise, isn’t really necessary. Cook further apologised to Chinese consumers for any “concerns or misunderstandings” they “might have had” about Apple’s warranty policies. But that was disingenuous and self-serving since there were no ‘misunderstandings’ about Cook’s warranty policies but instead anger at the clearly discriminatory fundamentals of those policies which Cook either wrote or approved and which can be summarised as follows:

“You’re Chinese. I will charge you (more or less) twice the price for my products that I charge customers in any other country and, since my company has no obligation to obey the laws in your country, I will give you only half the required legal warranty and will charge you an unconscionable (and illegal) amount for warranty repairs that are free in every other country. I will replace your hopelessly defective (but cute) product with a used one, and I will continue to repair your product with used parts. If my incompetent repair people damage your phone, I’m sorry but that’s too bad for you. I will buy your phone from the people who stole it, then clean it up and sell it as new in my store. I will continue to sell unlicensed copies of Chinese works on my website because Chinese copyrights and IP are worthless, and I will continue to pay far less than the minimum wage to the two million Chinese who make my (defective, but still cute) iphones and ipads. And of course, I will be dedicated to making first-class products and will attach high importance to your concerns. To be honest, I see little room here for misunderstanding but, if my meaning is not clear, let me re-phrase: You’re Chinese.”

Cook issued another statement in Chinese that said in part: “We’ve come to understand through this process that because of our poor communication, some have come to feel that Apple’s attitude is arrogant and that we don’t care about or value feedback from the consumer.” But once again he got it wrong. It wasn’t due to Cook’s ‘poor communication’ that so many people (certainly including me) believed he was arrogant and racist, but rather because of his arrogance and racism that we believed he was arrogant and racist.

### Commentary

At the time of writing, Apple had 250 billion dollars stashed offshore, with gross revenue in China almost \$7 billion in one year, yet hugely overcharged Chinese consumers for its products, refused to provide free warranty repairs for its China customers, made repairs with used parts, refused to replace defective products, and callously refused to pay reasonable salaries to the people who assembled its products. Apple outsources, makes unreasonable demands, pushes suppliers into cutting corners and breaking laws, then denies any knowledge or responsibility, and deals with all this by making insulting and fatuous statements about core values and dedication to quality while “treasuring” customer feedback. And Apple, as with every other rich company and wealthy person, attempted to clean its face by boasting of a small donation it made to some charity. I find these claims despicable; these corporate executives lie, steal, cheat, defraud, violate every

law that stands in their way, function as the most vicious of predators, extract an enormous human toll on the weak and helpless who produce all their wealth, then, with the willing compliance of the media, bury that vast litany of crimes and sins in a pretense of generous philanthropy. In the case of Apple and Tim Cook, that philanthropy should have been directed to the young workers in Foxconn's factories. We could ask Tim Cook what he thinks about, that he so willingly preys on these young people, quietly and out of the light, then publicly boasts of his so-called "charity". Some of these companies, like General Motors, would be bankrupt if not for their sales in China, but many still try to cheat Chinese customers. One Apple user wrote me to say:

"Apple keeps all the good jobs and PR stateside and exports the exploitation and depravity to China. The company's greed is shocking. Americans understand only brute force. Apple will only follow the rules when it pays a high cost for breaking laws and cheating customers. Apple's American executives should all be arrested and imprisoned when they come to China, and forced to accept responsibility for the actions of their suppliers. No foreign corporation has an inalienable right to exist in any country; it does so only at the whim and pleasure of the government of that country. If there is a hell, I hope Apple goes there."

The government did take some actions: Apple was ordered to equalize its China warranty periods with those of other countries, to cease the use of used parts for repairs, to provide new product warranty replacements, and some other terms, officials stating Apple would face "severe repercussions" if it failed this time to adhere to China's warranty laws. It was reported that China's commerce authorities were considering the restriction or prohibition of sales of those products with unsatisfactory after-sales policies. In other words, if Apple disobeys the law one more time, its products will disappear from the country. And since it seemed clear that Tim Cook harbored little intention of reforming, the government ordered local commercial authorities to "enhance legal supervision" of Apple's activities and policies. It was really just a simple matter of obeying local laws and being fair with consumers, but there are almost no American companies with such values, at least not in China, and certainly not in Apple. The 2-year warranty on ipads was a well-known issue in many countries with legislation similar to that of China, leading the company into legal troubles in much of Europe:

"Apple's product warranty has been under fire outside the U.S. before, though especially Europe. The company was fined multiple times in Italy over its AppleCare warranty service, which extends beyond the company's one-year warranty. Local law required a warranty period of two years, something that led to regulators hounding Apple to change its disclosures of the product ... the European Union urged member states to look into warranty practices by Apple, and noted that Denmark, Finland, and Luxembourg were currently in the midst of investigations. [Recently], the EU was also said to be scrutinizing Apple's agreements with European wireless carriers over possible antitrust violations."

Apple's continued refusal to offer a two-year warranty on its ipads was noteworthy since this was by no means solely a problem in China. In all European countries (as in China), a two-year warranty was the legislated standard, but Apple put its products in those markets with only a one-year warranty, attracting government and legal action in most of those nations, actions typically thwarted by the US State Department, relieving Apple of obligation to conform to those countries' domestic laws. To understand this clearly, the 'world standard', if I can loosely use this expression, is a two-year warranty, but Apple executives decided one year would be the world standard and simply imposed it on the rest of the world, demanding that all other nations revise their consumer product warranty policies to reflect the American view. And they did so with the full backing of intense diplomatic bullying from the US State Department and Department of Commerce. As you will soon see, many US firms in China follow this pattern, totally ignoring local pollution laws, food contamination restrictions, auto safety requirements, and a host of other laws and regulations, on the basis that they answer only to 'a higher authority' and thus follow only American standards which are by definition universal values and the will of god.

## The Media Spin

No articles anywhere in the Western press listed the valid complaints against Apple, nor did they inform their readers of the essential differences between warranties in China and the US, vaguely mentioning only "minor infringements of warranty regulations" instead of "major violations of the consumer laws" of another country. Certainly, if the picture were reversed and it were a Chinese company shortchanging American customers on warranties, we would hear no talk of 'minor infringements'. Naturally, the Western media mounted their white horse of morality and rode to Apple's rescue, primarily by omitting all the dirty details of Apple's dealings in China, and secondarily by making Apple the victim and soundly trashing China in the process with all manner of unfair, unsupportable and quite dirty accusations. We had headlines screaming: "Apple forced to apologise; Apple bends to the will of Beijing; Apple bows to Chinese pressure; Apple has given in to intense pressure; Beijing's Bite of the Apple; State Media's Attacks on Apple Rotten to the Core; China showing itself for what it really is." Why all the bitter attacks on China and the intense media pressure? After years of gentle treatment, Apple was finally forced to obey China's consumer laws and stop cheating its customers. Nothing more than that.

The Financial Times' Tim Bradshaw wrote that, "Chinese state media outlets persisted with prominent coverage lambasting Apple for being "greedy" and "incomparably arrogant". True. And why not? Tim Cook and his colleagues were unquestionably greedy and incomparably arrogant, having for years refused gentle and private requests to clean up their act, believing themselves pampered and immune. Why feel sorry for them? Cook knew his warranty policies were against the law but felt he was higher than the law. Apple should have been fined billions of dollars for their transgressions, and a dozen Apple executives should have been charged with criminal offenses and put into prison. Next

time, they will be, and their arrogance will further spoil the landscape for everyone. There was a mind-twisting article in the WSJ with no byline, telling its readers, (apparently somehow according to Chairman Mao) “Apple’s desire to provide the best user experience” (don’t make me laugh) is a threat to China’s one-party political system, and that Beijing had no choice but to stomp on Apple. Did you get that? If 2% of Chinese citizens like a foreign product, that could bring down the government. Now we know. Jamil Anderlini of the Financial Times wrote that Volkswagen Hewlett-Packard, Hyundai, McDonald’s and Carrefour, had all been targeted “for relatively minor consumer complaints”, which was an outright lie. These companies and others were indeed featured – not “targeted”, and for reasons that were major, not minor. The replacement of 400,000 defective transmissions at a cost of several thousands of dollars each, hardly qualifies as ‘minor’.

The media report I found the most offensive was by the Chinese-Jewish-American Nailene Chou Wiest, who claims to be a visiting professor at the College of Communication and Design of Sun Yat-sen University (and also at Tsinghua University, a claim I sincerely hope is untrue). This woman decried the fact that the issue was becoming political, then quickly politicised it, culminating with deeply offensive political insults against the entire Chinese people.

“... out of desperation, state media pushed the anti-imperialist emotional button, which has been programmed to produce rage in every Chinese since grade school. A moth-eaten rant, reminiscent of the Cultural Revolution days. That backfired.”

What a stupid and reprehensibly despicable thing for this woman to write. How dare she? Like a great many non-Western nations, China suffered terribly under that imperialism for more than 150 years, and the Chinese need much more rage than they have, to ensure it never occurs again. It is not China, but the US and Israel who own all the ‘victim’ buttons and ‘rage’ buttons programmed from childhood. What a base and foul person this woman must be. How dare she make such statements? This woman seems to specialise in trashing China. Some of her writing is just ideological bad taste, but much is worse. In a Caixin article (where else) Wiest trashed the CCTV program and the government with mockery, insults, and abuse of her host country, cheap attempts to deflect blame from Apple’s arrogant law-breaking by looking to shame China for irrelevant events. I have no doubt her vicious attitude does real harm to the minds of her students, and I cannot imagine what the people at Sun Yat-sen or Tsinghua University think about, that they would want such a person on their faculty.

Lastly, many columnists in the Western media took note of what appeared to be Chinese people posting comments on Weibo or WeChat that were supportive of Apple and critical or even condemnatory of CCTV, China’s government authorities, China itself, and often listing China’s “more serious” problems that deserved priority. I have news for you. Few,

if any, of those posters were actually Chinese, and were almost certainly making their posts from Langley, Virginia, not Changsha or Shenzhen.

## Epilogue

Times change. By early 2016, Apple experienced its first quarterly revenue drop in 13 years, the stock had fallen to a two-year low, iPhone sales suffered a worldwide slowdown with China accounting for about one-third of the total sales decline, Apple's sales in China plunged by 35% in only a few months and Apple's market position plummeted precipitously from first place to sixth, overtaken by almost everybody – including the apparently invisible Xiaomi. In fact, as a direct result of its predatory arrogance, Apple is in such dire straits in China that in late 2016, Apple's iPhones were cheaper in China than they were in the US, all sellers in this crucial market pushing deep discounts to get the product to move. Apple executives declined to comment on the reasons for the massive lowering of their prices in China, nor on the facts that their market share was disintegrating by the week while sales of Chinese-branded smart phones like Xiaomi, Oppo and Vivo were soaring. In a separate, but equally welcome, blessing, the profits of Foxconn, the manufacturer and assembler of Apple's products, also suffered a 35% drop in operating profit. And Tim Cook was magically transformed from peacock to sycophant, coming to China not to strut and boast but to kneel, kiss and beg, conducting a charm offensive without the charm, the haughty self-importance and arrogance transformed to humility: "We are happy to work with you. We are proud to work with you. We are humble to work with you." Yeah. Until the next time.

According to Michael Schuman of the Wall Street Journal, Cook was in China "wowing government officials and customers", though media reports were a bit short on anybody actually being 'wowed'. We were told Cook was on an official visit "to learn more" about the Chinese market, which claim was apparently a cover for his real purpose of "making a down payment on a better relationship in China" by showing that Apple was "becoming more Chinese". How nice. Too bad he didn't do that a few years earlier when it might have made a difference. By 2016 nobody much cared anymore, and the common sentiment was that Cook preferably become either North Korean or Vietnamese instead of Chinese, those other two countries not being noted for their fussiness in welcoming ethnic wannabes. And, in late 2016, Apple lost the copyright violation lawsuit and was ordered by a Chinese court to pay 1 million RMB to eight Chinese writers and two book companies whose copyrights were infringed by Apple selling their works illegally online and not paying royalties.

I have no particular dislike for Apple's products, and there has always been a small but hard-core group of Apple fanatics who loved everything Apple. And in some part, for good reason. The company's computers were always preferred by those in publishing or who dealt with graphics, or who just hated Microsoft – a category that must include

almost everyone everywhere. In any case, for those purposes and those people, Apple satisfied their small market very well and, more recently, some of their offerings have been cute and possessed a genuine cool factor. It's the company and its executives I despise, not the products, a distinction I do not make for other American companies like General Motors. But the truth is that Apple's market has always been a niche and is unlikely to ever become more. The old ipods and their ilk were cute, useful, and quickly dead. They were fads. The iphone was also largely a fad, not the phone part but the 'i' part. In the end, a phone is a phone and, while Apple did reach the market first with some attractive features, the market has hundreds of comparable products at better prices and without the service and warranty frauds and inconveniences. Many of them also have better quality and reliability, especially the higher-end Chinese and Korean brands. In terms of the higher-priced products like expensive computers, Apple has always been a small niche player of attraction to advertising and publishing personnel but to few others. There is nothing to suggest this will ever change.

It is only the iphone and ipad that gave Apple the big surge and goosed the company's stock to a level insane by economic standards but, with the diminished novelty and fad factor combined with the rampant price-gouging and fraudulent practices, the sales are now not only experiencing moderated growth but are falling, in some places dramatically. The pace was sustained so long as Apple brought very new products and ideas to market, but those are gone and there is nothing in the pipeline now but more of the same. And of course, competitors have not been sitting still, evidenced by the substantial drops in Apple's sales and market shares, and certainly abetted by Cook's shoddy ethics. Given these factors and the very bad taste in China's mouth (and not only China!), the iphone will in another few years be just another phone and the ipad just another tablet, and Apple will have retreated back into its niche, no longer "the most valuable tech company in the world" and no longer on anyone's mind. Probably the majority of products emanating from the US have had the same experience. Literally hundreds of "world-famous" American brands have disappeared, partly due to natural life cycle but mostly due to the American lack of competitiveness and respect for quality. Apple's success was transitory, due solely to a couple of good ideas that have now run their course. Apple's products have already been matched and surpassed, and will soon be forgotten, leaving only that small hard core. Cook's dream of being the market leader in China and China being Apple's largest market are an astonishing delusion, leaving me to conclude Cook will be gone and forgotten even before his products earn that fate.

Lastly, we should try to nip in the bud the false and foolish mythical narrative that is already being built about Steve Jobs. In earlier chapters, I tried to explain how the Americans build marketing myths which are then promulgated to the world as fact. The legends about people like Einstein, Bell, Edison, and the stories about products like Coca-Cola and Nike, are all fiction, simply the brand marketing of America. This marketing

machine applies equally as much to the myth of American education, health care, food safety, or business practices being ‘superior’ to those of other countries. The only thing superior about the US is the brand marketing. The historical spin masters are at it again, this time creating yet another mythical narrative about Steve Jobs. We already have thousands of people sitting up all night, attributing to Jobs hundreds of wise sayings that he never actually said.

The Financial Times’ Tim Bradshaw wrote of Apple “living up to the vision of Steve Jobs”, and Paul Hudson wrote that Jobs “almost singlehandedly shaped the history of the past three decades”. Wow. Well, let’s see. What were the major historical events of those past three decades? Certainly the rise of China. We had the Sichuan earthquake, the tsunami in Indonesia, and the 2008 US financial meltdown. We saw the invasion and destruction by the US of Afghanistan, Iraq, Libya and Syria, the US overthrow (twice) of the government in the Ukraine, as well as all the CIA’s “color revolutions”. We had AIDS, Ebola, SARS and MERS. We had hundreds of enormous mass protests like Occupy Wall Street, in dozens of cities in the Western world, popular revolts against the ruling class and the bankers for their extermination of the middle class. We had the collapse of the European economy and the death of Greece. I would ask Hudson how, exactly, Steve Jobs shaped any of those events, singlehandedly or otherwise. We did of course have the death of the ipod and birth of the ipad but, in light of the events listed above, the significance of these latter two, on a scale of one to ten, would be approximately zero. Hudson did admit that Apple (under Jobs) had “a negative impact” in “certain parts of the world”, that many of Jobs’ methods were “questionable”, and that Apple’s (Jobs’) actions were “instrumental in the suffering of many”. But that was okay, because Jobs turned Apple into “the most powerful and wealthy company in the world”. How nice.

Before we get carried away turning yet another ordinary American into a god, let’s look at Jobs’ ‘questionable methods’ that were ‘instrumental’ in causing ‘the suffering of so many.’ It was Steve Jobs who decided to subcontract the manufacture of his iphone, and who conspired with Foxconn to build a concentration camp for 1.5 million young kids, then to pay them almost nothing and put so much pressure on them that they were committing suicide. We are so proud of Apple’s offshore cash pile of \$150 billion, but we ignore the indisputable fact that if Steve Jobs had paid a living wage to the people who made his products, that cash pile would be zero. Steve Jobs was a predator who filled his pockets by stealing from the weakest and most vulnerable. Almost all of Apple’s profits came from wage theft, not from good products or good management. And he didn’t need the money. Jobs already had \$1 billion or more in his own bank account when he re-joined Apple. Steve Jobs was a sociopath driven by greed, not by ‘innovation’. I have no particular dislike for Apple’s products, and some of their offerings have been cute and possessed a genuine cool factor. But that is not a reason to airbrush Jobs’ basic inhumanity

out of the picture and build foolish and totally false historical myths about a man who deserves as much to be condemned as glorified.

To accompany Paul Hudson in his delusion, we had some shamefully naive Chinese writing in an article that “Steve Jobs changed the world by his innovative thinking and deep insight of human beings.” Jesus. I have no idea how many people I will offend with my comments, but Steve Jobs absolutely DID NOT “change the world”, not in any sense, Look out the window. The world you see out there is the same world that existed 100,000 years ago, and none of the changes you can identify as occurring since that time were made by Steve Jobs. Further, there is no evidence that Jobs had any insight, deep or otherwise, into human beings and, if he did have, he ignored it and spent most of his time deeply offending everyone he met. To say Jobs was difficult to get along with, is quite an understatement. Steve Jobs was not a hero, he was not a prophet, he was not a visionary, he was not illuminated by the gods, he could not heal the sick, he could not predict the future, and he wasn’t even a nice person. Steve Jobs was a greedy sociopath, an insufferable, obnoxious ass who designed a cute mobile phone, and that’s the whole story. Live with it.

## Apple Imperialism

Tim Cook was accused by all and sundry of being obnoxiously arrogant and even defiant, and of course he was. However, these qualities so common in American executives toward foreign countries do not occur naturally, but instead spring from the US State Department, The Department of Commerce, and the military. Whenever an American firm encounters restrictions on its profits in a foreign land, the State Department is always on hand to ensure that heavy fines do not ensue, that criminal charges are never laid, and that American firms are made exempt from local laws. The kinds and degrees of pressure the US is able (and eager) to inflict on other nations is too long a list to provide here, but if you think back to the Chapter on US bullying, many options will come to mind. Think of the Standard Chartered Bank, where the company’s refusal to adhere to US ‘sanctions’ on dealing with Iran led to the bank nearly losing its license to conduct business in the US. If a country insists on forcing Apple into a longer warranty against the “advice” of the State Department, that country’s banks in the US will suddenly find themselves the target of IRS tax audits – one of the US government’s favorite bullying tactics against governments, corporations, charities, almost anyone. If China insists that Nike and Coca-Cola begin paying living wages in their sweatshops, we will suddenly learn that US warships have greatly increased their “freedom of navigation” incursions into the South China Seas. Americans of course will scream that this is paranoid delusory, but it’s not; these things occur constantly to any country having commercial dealings with the US, even ‘friends’ like Canada or the UK. When the US has trouble bullying Canada on a trade deal, we suddenly see American naval vessels violating Canada’s Arctic waters and the State Department publishing photos of their submarine surfacing at the North Pole.

Anyone with access to diplomatic or consular officials of other nations would learn some very surprising things by raising this issue with them in a private moment. The point is that the obvious arrogance of an American executive overseas is not self-generated but stems from the guaranteed protection of his mother who is truly a nasty bitch when some stranger is mean to her little boy.

Therefore, much of my above commentary on Apple and other American firms was part of a much larger issue. I have written before that many apparently disconnected events are often tightly integrated as part of a master plan, but that this becomes evident only when we can juxtapose all the pieces and thus see the entire picture in one view.

This infliction of American standards on other nations is the main program of the TPP, a program of imperialism conceived by a small group of European bankers to forcibly impose their self-interested standards and values on all other nations, their MNCs eventually becoming supra-national entities like a kind of commercial NATO accountable to no one and with the power to supersede the legislatures and governments of sovereign states. The overall plan as clearly outlined in the TPP is to eliminate national sovereignty, nations to become effectively controlled by the MNCs and the bankers who are in most cases their eventual beneficial owners. Consider that the matter of Apple's warranty was not an issue limited to China but in fact existed in almost every nation outside the US. Consider also that the matter involved not only Apple but includes Coca-Cola, Pepsi, P&G, Disney, Big Pharma, banks, payment systems, Monsanto and its GM seed, law courts, accounting standards, and much more. So, this isn't only Apple, and not only China, but all American MNCs in all countries, a huge plan containing thousands of parts, all being executed simultaneously. This category includes international agreement on government procurement that are being heavily pressed onto the governments of many nations, agreements which will set the 'standards' by which American business will compete for domestic government projects in other nations. China wisely refused to take part in the last round of these discussions, stating that the deals being presented by Washington contained not "increased standards" but rather higher demands for unilateral encroachment onto the sovereignty of other nations.

I would refer you to the comments I made earlier about the imperialism embedded in the pricing and warranty issues, and more especially of MNCs becoming the eventual sovereign authorities, superseding local governments. Think now of the response of Apple executives to Chinese consumers in the US, looking to bypass the company's price-gouging by purchasing Apple products in a lower-price market. They instructed staff to refuse the purchases, cancel the orders, and to call the police to arrest their own customers – to enforce commercial laws that don't even exist. Tim Cook's despicably racist commercial policy did not go unnoticed by the State Department who most likely nodded in approval. This is so true that while the response of Apple's executives to Chinese customers in America is totally illegal, an appeal to a US court to strike down that policy

would certainly fail, with even the courts conceding Chinese customers are breaking non-existent laws by wanting to buy iPhones. This is one indication of the end result if the US is permitted to force its so-called standards on other countries. The people in every nation but the US will pay dearly into infinity if American standards and American goods are not resisted and rejected.

As I noted in my comments on Apple, the European Commission ordered Ireland to levy nearly \$15 billion in taxes that should have been paid but were not, due to various too-clever tax schemes. As you might expect, Apple executives responded with astonishing arrogance. First, CEO Tim Cook went to the media to deny the factual claims of the case, effectively accusing the European Commission tax authorities of being liars. Then he wrote “a public letter” to warn the world that collecting income taxes from his company threatened to “upend the international tax system”, meaning that income tax systems in all countries of the world would immediately disintegrate if a foreign country attempted to collect tax from an American company. He further went to the media to claim that it might be reasonable for a government to “discuss” taxes with an American company but that “that conversation should be about future taxes, not retroactive taxes. The EU Commission’s overreach in this regard, is unbelievable to us.” And that means if I cheated on my taxes last year, a government can ‘discuss’ with me the correct level of tax to pay next year, but they have no right whatever to collect any taxes from me for the prior year, because that would be “retroactive”, the word coming from the corporate MNC bible where God tells us we can be punished only for our future crimes but not our past ones. That seems fair. So, for the European Commission to punish Cook’s criminality for the past year constitutes “unbelievable overreach”.

It should not pass without comment that Cook’s approach in both Ireland and in China was to bypass the government and appeal to the people, giving them a one-sided story and hoping to turn affection for his company’s products into widespread public support for his company, and into political pressure against the government. And of course, the White House and US State Department were immediately flooding the media with veiled threats and angry warnings about unfairly targeting American companies. Perhaps the most interesting part of this fiasco was that the Irish government didn’t want the tax money from Apple, and stated it would appeal through the courts the Commission’s decision to give it the \$15 billion as a gift. You might recall that after the 2008 financial meltdown in the US reached Europe, Ireland was one of the countries hardest hit, where the international banks operating there had lost billions of dollars during their participation in the fraud. But then, strangely, the Irish government, with no warning, suddenly declared it would absorb in full all the billions in losses of those banks, leaving the foreign bankers whole while the Irish people picked up the bill for their frauds. You don’t need an imagination to know who is really in control of the government of Ireland. And who, except major Apple shareholders, already holding the people of Ireland in contempt

anyway, would want the government (i.e., the taxpayers) of Ireland to refuse a \$15 billion gift? Put the pieces together and see what you get. Both the European Commission's President and its Finance Ministers stated that Apple's executives failed to grasp the extent of public outrage at the tax evasion practices of foreign MNCs and their moral obligation to pay taxes, but that wasn't really true. Tim Cook and his colleagues understood completely the public outrage; they just didn't care because sociopaths are bereft of moral obligation and so it wasn't their problem.

Thus, the tales of Apple in China were only incidentally about Apple cheating Chinese consumers, though that surely was one of the effects. The matter is primarily political rather than commercial, US commerce in a sense getting a free ride on the deck of a State Department battleship. All American MNCs are an integral part of the puppet-master driving the American Imperial Machine and inflicting his standards and values on all other nations while providing his MNCs with an opportunity to bleed dry domestic populations in the process. So, it isn't so simple as Americans believing they can disobey local laws because they are Americans, though certainly this attitude exists. This is mostly political – Imperialistic bullying at its worst, commercial extortion backed up by the US State Department and military – the bankers' private army.

The enormous negative media flood is an essential accompaniment, placing pressure on a foreign government with violent and widespread media attacks containing tons of unjustified accusations and innuendo, vicious attempts to blacken the country's name and place it on the defensive, in an all-out offensive to intimidate that country into a resignation where it finally permits American companies to plunder in peace and quiet, unhampered by concepts of law or sovereignty. The reason this isn't more obvious, and the reason few people are aware of it, is due to control of the media by these same people, in fact the same charge these people levy against China. Freedom of speech does not mean all are free to say whatever they want; instead, it means the US and the tightly-controlled media sources are free to propagandise the world without effective challenge. The bad press that China and some other nations receive, functions as a smoke screen to obfuscate and confuse the core issues by flooding the subject with irrelevancies, and shifting the focus in this case from the arrogant criminality of American corporate executives in China to China's alleged bullying and authoritarian nature, eventually painting the victim (China) as the aggressor and the criminal (Apple and other) as the victim. The media accomplish this primarily by providing only sound bytes and never detail, the theme accompanied only by accusations lacking substance or support. The method is generally effective, at least on Americans who have become hopelessly ignorant after generations of this treatment. It is, however, bothersome that some Chinese too eagerly buy into the false narrative. The American executives persist, and the Chinese government is reluctant to punish them severely because of all the bad foreign press it would receive. But China is experiencing the bad foreign press anyway, and should shut down for 6 months American

companies like Apple, Pepsi, Wal-Mart, Coca-Cola, and so many more, until they learn to behave.

It often occurs that something permissible in one country is not permissible in another. Each country, including the US, has its own standards and laws, due to differences in culture and legal system. If I want to market a product in the US, I must adhere to American law; it will avail me little to violate US standards or laws, then claim in my defense that my actions were legal in my country. US courts would respond with, "Well, you're in America now, and you obey our laws." And that's the right approach – except for the Americans, who attempt to forcibly export their standards and laws to every other nation, using precisely the excuse that their actions are legal at home and, since all American standards are universal values that reflect the natural yearnings of all mankind, the laws and standards of all other nations can be safely ignored. This is why the precedent has been set in the US, and is being demanded in many other nations, for the full legal immunity of corporate executives, a practice meant and planned to be instituted on a world-wide basis, the situation that will obtain when the TPP, TPIP and other similar schemes have been implemented. It is preparation for the gradual elimination of national sovereignty to be replaced by panels of European bankers and executives of their MNCs. This is the reason the Americans are pushing so hard for a reformation of China's legal system, especially items like the 'plea-bargaining' now being instituted; to remove the judiciary from the judicial process and put it into the hands of lawyers who will decide verdicts, evidence and punishments. It is why the Americans are pushing China so hard to institute Western-style property taxes on private homes and residences; the plan is that eventually all national governments will have only two functions: tax collection and citizen suppression, making an enlarged tax base important.

A hard look at the pattern developing by the American (and some other foreign) MNCs offers a realistic view of the future of the world, if this push is not strenuously resisted. Remember, this push is not American; rather, the Americans are the puppets, the front-line soldiers doing someone else's bidding; the bankers' private army. The threat applies to much more than phone warranties or manufacturing defects. It includes all regulations relating to food and product safety, labor, the environment, pharmaceuticals and more. It includes taxes and government procurement, the privatisation of public assets like health care, education, communications, infrastructure, and the dismemberment of China's SOEs. It is this that is responsible for the frantic pressure on China to stifle its development by abandoning investment and exports and turning to consumption. Firms like Coca-Cola and Schering-Plough outsourcing their staff to avoid paying the costs of statutory benefits, an anti-social practice intended to be, and is now being, slowly implemented in many nations. This is responsible for the intense pressure on patents, copyrights and IP generally, to concentrate economic control in a relatively small number of corporate and banking entities. It is all about eventual economic control of national economies, to be

concentrated in only a few hands. This is already obvious in the food industry, the manufacture and distribution of many consumer products and FMCG goods, in health standards, in baby milk production, in labor practices and property taxes.

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